

## AUDITS AND INSPECTIONS

---

### 1.0. GENERAL

#### 1.1. Government Right To Inspect

Federal Acquisition Regulation 52.215-2, included in all TRICARE contracts, provides that TMA, its related audit-agencies, and the Comptroller General of the United States have the right to examine all supporting documentation to permit evaluation of cost or pricing data submitted by a contractor. This examination is to verify that cost or pricing data submitted during negotiations, including changes and the preparation of any fiscal report of settlement, are accurate, complete, and current. This right continues for three years after final payment to the contractor. The contractor's facilities and applicable records also shall be subject to inspection and audit by TMA.

#### 1.2. Inspections Conducted At TMA Or The Contractor's Facility

All inspections shall be conducted either at TMA or at the contractor's facility. Inspection, acceptance, and receipt of services provided by the contractor shall be accomplished by the Contracting Officer or other designee(s). Inspections include, but are not limited to, TMA payment audits, performance audits, Program Integrity audits coordinated with TMA, and contractor/TMA quality assurance audits.

#### 1.3. Contractor's Responsibilities

The contractor is required to provide TMA with free access to all financial records, cost information, systems documentation, program logic, operating manuals, procedures, and other information and documentation gathered, used, and stored as a part of the contractor's TRICARE operations, including the performance of its subcontractor(s). Subcontractors must provide the same free access to TMA.

#### 1.4. Records Retention Requirement

Records relating to appeals under the dispute clause, litigation or settlement of claims, or cost and expenses to which exception has been taken by audit, shall be retained by the contractor until the issues have been settled, and shall be retrievable for three years subsequent to the date of the settlement.

#### 1.5. Proprietary Rights

Proprietary information, if so designated in the contract (including the technical proposal) will not be released by TMA. However, TMA will not recognize, as proprietary, information records and files (including attendant documentation) used by the contractor

which constitute essential data resources in the processing of TRICARE claims and the generation of health care services records. This includes all files and data identified in the Request for Proposal (RFP) for release to TMA and files, lists, manuals, etc., relating to beneficiaries, providers, fee and rate profiles, provider charges, pending claims, and paid claims.

## 1.6. TMA Rights To Specify Manner Of Delivery

TMA reserves the right to specify the format, media, and timing of the delivery to, and access by TMA, of information and documentation. Access to information and documentation also includes the right of TMA inspection. This is to assure that the government has full and free use of TRICARE data as well as supporting information and documentation for program purposes. TMA will assure that restricted rights are properly maintained.

## 2.0. CONTRACT PERFORMANCE REVIEWS

### 2.1. General

Contract performance evaluations by the Government staff, including audit personnel under contract, Lead Agents and MTF personnel, will be conducted periodically at the location(s) of the contractor's operations and/or subcontractor's operations. These reviews will include financial and operational analyses of all aspects of the contractor's performance under the terms of the contract and TMA instructions. The contractor shall make available all personnel, facilities, and documentation required in the conduct of such reviews or investigations by TMA or other authorized Government agencies and staff. Upon request by the Contracting Officer, the contractor shall provide up to 1000 square feet of office space, at a contractor operated facility determined by the government, for any permanent or long term on-site auditors. Evaluations will include desk audits and surveys of contractor performance. The contractor will be furnished written findings.

### 2.2. TRICARE Senior Pharmacy And TRICARE For Life Claims

*Claim audits shall be performed for claims processed under the TRICARE Senior Pharmacy and TRICARE for Life program. One cost sample will be pulled for both TRICARE Senior Pharmacy and TRICARE for Life claims. This sample will be drawn from all records for the TRICARE Senior Pharmacy and TRICARE for Life program with a government cost greater than zero and less than \$100.00. The design of this sample utilizes a 90% confidence level and a precision estimate of one percent. Samples will be drawn on a quarterly basis from HCSRs which pass HCSR edits. These sampled claims will be combined in the ICN list, audit report and audit result calculations with the quarterly payment audits specified in Section F of each Managed Care Support contract. The combined sample size for the TRICARE Senior Pharmacy and TRICARE for Life claims shall equal approximately 400 claims per contract quarter.*

*Any TRICARE Senior Pharmacy and TRICARE for Life claim greater or equal to \$100.00 (based on government cost for paid claims and billed amount for denied claims) will be subject to random sampling and included in the payment audit samples outlined in Section F of each Managed Care support Contract. TRICARE Senior Pharmacy and TRICARE for Life claims will also be subject to random sampling and included in the occurrence error sample outlined in Section F of each Managed Care support contract.*

*The audit process outlined in Section F of each Managed Care Support contract shall apply to this sample (TRICARE Senior Pharmacy and TRICARE for Life claims), including documentation and rebuttal response requirements.*

### 3.0. RENEGOTIATION AUDITS

The variables to be utilized in renegotiating at-risk provisions of contracts are yet to be defined. The contractor agrees to provide the necessary data and supporting documentation to TMA for audit, prior to negotiation. This section will be modified unilaterally, by TMA, when the variables are defined.

